AGENDA FOR THE REGULAR COUNCIL MEETING OF TUESDAY, MAY 9, 2006 AT 6:00 P.M. MUSEUM OF CONTEMPORARY ART 700 PROSPECT STREET LA JOLLA, CA 92037

<u>NOTE:</u> The public portion of the meeting will begin at 6:00 p.m. The City Council may meet in Closed Session this morning from 9:00 a.m. – 10:00 a.m. Copies of the Closed Session agenda are available in the Office of the City Clerk.

ITEM-300: ROLL CALL.

NON-AGENDA PUBLIC COMMENT

This portion of the agenda provides an opportunity for members of the public to address the Council on items of interest within the jurisdiction of the Council. (Comments relating to items on today's docket are to be taken at the time the item is heard.)

Time allotted to each speaker is determined by the Chair, however, comments are limited to no more than three (3) minutes **total per subject** regardless of the number of those wishing to speak. Submit requests to speak to the City Clerk **prior** to the start of the meeting. Pursuant to the Brown Act, no discussion or action, other than a referral, shall be taken by Council on any issue brought forth under "Non-Agenda Public Comment."

=== LEGISLATIVE SCHEDULE ===

Noticed Hearings, Discussion

ITEM-330:

Hillel of San Diego - Actions to Develop City Site No. 653. (La Jolla Community Plan Area. District 1.)

Matter of approving, conditionally approving, modifying or denying a Planned Development Permit, Site Development Permit, Street Vacation, Easement Abandonment, Lot-Line Adjustment Parcel Map and Public Right-of-Way Dedications to develop a two-level student center for religious purposes within the triangular area bounded by La Jolla Village Drive, La Jolla Scenic Way and La Jolla Scenic Drive North to consist of a 12,100 square-foot student center floor area and 17,000 square-feet of lower level garage for 40 off-street parking spaces on a usable 25,069 square-foot site with an additional 10,000 square-feet of area reserved for open landscaping as required by the City Council with the additional continued use of an adjacent single-family residence at 8976 Cliffridge Avenue for temporary religious office and student use in the SF (Single-Family) zone of the La Jolla Shores Planned District Ordinance, the Coastal Height Limit Overlay, and Parking Impact Overlay Zone (Campus Impact area), all within the boundaries of the La Jolla Shores Planned District and the La Jolla Community Plan Area.

STAFF'S RECOMMENDATION: Adopt the resolutions in Subitems A and D; and take the actions and direct the City Attorney to prepare appropriate resolutions in Subitem B to grant the permits; and in Subitem C to grant the map.

ITEM-331:

<u>Two</u> actions related to Authorizing Exclusive Sale or Lease of the City-Owned Parcel Known as Site 653 to Hillel of San Diego. (La Jolla Community Area. District 1.)

<u>STAFF'S RECOMMENDATION:</u> Take the actions in Subitem A and adopt the resolution in Subitem B.

Non-Docket Items

Adjournment in Honor of Appropriate Parties

Adjournment

=== EXPANDED CITY COUNCIL AGENDA ===

ADOPTION AGENDA, DISCUSSION, HEARINGS

NOTICED HEARINGS:

ITEM-330: Hillel of San Diego - Actions to Develop City Site No. 653.

Matter of approving, conditionally approving, modifying or denying a Planned Development Permit, Site Development Permit, Street Vacation, Easement Abandonment, Lot-Line Adjustment Parcel Map and Public Right-of-Way Dedications to develop a two-level student center for religious purposes within the triangular area bounded by La Jolla Village Drive, La Jolla Scenic Way and La Jolla Scenic Drive North to consist of a 12,100 square-foot student center floor area and 17,000 square-feet of lower level garage for 40 off-street parking spaces on a usable 25,069 square-foot site with an additional 10,000 square-feet of area reserved for open landscaping as required by the City Council with the additional continued use of an adjacent single-family residence at 8976 Cliffridge Avenue for temporary religious office and student use in the SF (Single-Family) zone of the La Jolla Shores Planned District Ordinance, the Coastal Height Limit Overlay, and Parking Impact Overlay Zone (Campus Impact area), all within the boundaries of the La Jolla Shores Planned District and the La Jolla Community Plan Area.

(See Report to the City Council No. 05-193. La Jolla Community Plan Area. District 1.)

(Continued from the meeting of September 27, 2005, Item 333, at the request of the City Council for proper noticing of a companion item.)

<u>NOTE</u>: Hearing open. On September 27, 2005 public testimony was taken only on the continuance of this item.

STAFF'S RECOMMENDATION:

Adopt the resolutions in Subitems A and D; and take the actions and direct the City Attorney to prepare appropriate resolutions in Subitem B to grant the permits; and in Subitem C to grant the map:

Subitem-A: (R-2006-211 Rev.)

Adoption of a Resolution certifying that Mitigated Negative Declaration No. 6098, on file in the Office of the City Clerk, had been completed in compliance with the California Environmental Quality Act of 1970 (California Public Resources Code Section 21000 et seq.), as amended, and the State Guidelines thereto (California Code of Regulations Section 15000 et seq.), that the declaration reflects the independent judgment of the City of San Diego as Lead Agency and that the information contained in the report, together with any comments received during the public review process, has been reviewed and considered by this Council in connection with the approval of a planned development permit, a site development permit, a public-of-way vacation and a right-of-way dedication for the Hillel of San Diego Project;

NOTICED HEARINGS: (Continued)

ITEM-330: (Continued)

Subitem-A: (Continued)

That the City Council finds that project revisions now mitigate potentially significant effects on the environment previously identified in the Initial Study and therefore, that the Mitigated Negative Declaration, a copy of which is on file in the Office of the City Clerk and incorporated by reference, is approved;

That pursuant to California Public Resources Code Section 21081.6, the City Council adopts the Mitigation Monitoring and Reporting Program, or alterations to implement the changes to the project as required by this body in order to mitigate or avoid significant effects on the environment, a copy of which is attached hereto, as Exhibit A, and incorporated herein by reference;

That the City Clerk is directed to file a Notice of Determination (NOD) with the Clerk of the Board of Supervisors for the County of San Diego regarding the above project.

Subitem-B:

Take the action granting or denying Planned Development Permit No. 158095, Site Development Permit No. 158094, with appropriate findings to support Council action.

Subitem-C:

Take the action granting or denying Lot-Line Adjustment Parcel Map No. 188004, with appropriate findings to support Council action.

Subitem-D: (R-2006-226 Rev.)

Adoption of a Resolution vacating a Portion of La Jolla Scenic Drive North, a Portion of La Jolla Scenic Drive and a Portion of Torrey Pines Road, as more particularly described in the legal description marked as Exhibit "A," and shown on Drawing Nos. 20461 & 20462, marked as Exhibit "B," and on file in the Office of the City Clerk;

That said street vacation is conditioned upon the dedication of General Utility Easements over portions of the vacated public right-of-way, satisfactory to the City Engineer. In the event this condition is not completed within two years following the adoption of this resolution, then this resolution shall become void and be of no further force of effect:

NOTICED HEARINGS: (Continued)

ITEM-330: (Continued)

Subitem-D: (Continued)

That the City Engineer shall advise the City Clerk of the completion of the aforementioned condition and the City Clerk shall cause a certified copy of this resolution, with attached exhibits, attested by her under seal, to be recorded in the Office of the County Recorder.

OTHER RECOMMENDATIONS:

Planning Commission on March 3, 2005 voted 5-0 to deny; was opposition.

Ayes: Garcia, Chase, Schultz, Ontai, Otsuji

Not present: Steele, Griswold

The LJSPDAB, on their agenda of Tuesday, January 18, 2005, passed three motions in recommending denial of the proposed project. Motion No. 1, stated that the Advisory Board believed that the project was not providing sufficient parking, did not comply with the 'distinctive residential character' as defined by the purpose and intent of the PDO, and stated concern over the loss of 12 on-street parking spaces and loss of a bike lane. Motion No. 2, stated that the 'Findings' for the street vacation could not be made and that the right-of-way should be reserved for future traffic mitigation. Motion No. 3, stated that the use of the residence in Phase I is illegal.

The CPG considered this project on Thursday, February 3, 2005, and voted 10-2-0 to recommend denial of the proposed project on the basis of issues with parking, illegal use, loss of on-street parking, bikeway issues and other concerns not communicated.

STAFF SUPPORTING INFORMATION:

The 'Hillel' project site consists of a total area of 42,400 square-feet of area which includes a 8,882 square-foot single-family residential lot used for religious offices at 8976 Cliffridge Avenue and a 33,518 square-foot City owned site commonly referred to as 'Site 653'. The project site is located in a triangular shaped area bounded on the north by La Jolla Village Drive, on the east by La Jolla Scenic Way, and on the south by La Jolla Scenic Drive North. The site includes areas proposed for street vacation, easement abandonment, and street right-of-way dedication. A City Council requirement that 10,000 square-feet of area at the intersection of La Jolla Scenic Drive North/Torrey Pines Road be landscaped as a neighborhood amenity, leaves an area of 23,518 square-feet for the proposed development. The property is zoned SF (Single-family residential) within the La Jolla Shores Planned District Ordinance and is within the boundaries of the La Jolla Community Plan.

NOTICED HEARINGS: (Continued)

ITEM-330: (Continued)

STAFF SUPPORTING INFORMATION: (Continued)

The campus of the University of California at San Diego (UCSD) lies to the north, vacant land and youth athletic fields are to the west, a detached single-family residential neighborhood is located to the south, and a Planned Residential Development to the east. Site 653 is currently vacant and is relatively level with the street grade of the residences on the south side of La Jolla Scenic Drive North. La Jolla Village Drive descends to the east from the intersection with Torrey Pines Road and La Jolla Scenic Way descends to the north from La Jolla Scenic Drive North to its intersection with La Jolla Village Drive making the low point of the project site the southwest corner of this intersection.

Site 653 is City owned property which, until 1995, was designated as residential land use in the La Jolla Community Plan and La Jolla Shores Precise Plan. In 1995, the land use designation for Site 653 was changed to open space and remained that way until February, 2004, when the La Jolla Community Plan was amended and the site was redesignated to residential use. The City Council approved the entering into an exclusive agreement (letter issued by the Real Estate Assets Department on January 27, 2003) with Hillel for development of the site and possible acquisition.

Separate from decisions in regard to Site 653, Hillel received permission from the owner of the single-family residence at 8976 Cliffridge Avenue to use it for religious offices. Subsequent complaints to the City's Neighborhood Code Enforcement Office led to the City issuing a violation notice to the owner and Hillel for changing the use without City approvals. The City determined that the religious use is permitted in the zone but the change of from single-family to religious use requires a Site Development Permit as required by the La Jolla Shores Planned District Ordinance (LJSPDO). Environmental staff, for CEQA compliance, determined that the residence and Site 653 proposal should be considered as a single project. Staff directed the applicant to combine the projects into one consolidated project application.

FISCAL IMPACT:

All costs associated with the processing of this project application are paid from a deposit account maintained by the applicant.

Halbert/Oppenheim/RMK

NOTICED HEARINGS: (Continued)

ITEM-330: (Continued)

LEGAL DESCRIPTION:

The project site is located within the Single Family Zone of the La Jolla Shores Planned District, Coastal Height Limit Overlay Zone, Campus Parking Impact Overlay Zone and the La Jolla Community Planning Area and is more particularly described as Lot 67 of La Jolla Highlands Unit No. 3, in the City of San Diego, County of San Diego, Parcel Map No. 3528 and Portion of Lot 1299, Miscellaneous Map 36, Pueblo Lands, in the City of San Diego, County of San Diego.

Staff: Robert Korch - (619) 446-5229.

NOTE: See Item 331 on today's docket for a companion item.

NOTE: This item is not subject to Mayor's veto.

NOTICED HEARINGS: (Continued)

ITEM-331: Two actions related to Authorizing Exclusive Sale or Lease of the City-Owned Parcel Known as Site 653 to Hillel of San Diego.

(La Jolla Community Area. District 1.)

(See Report to the City Council No. 06-050, with attachments. The printed Report is available in the City Clerk's Office and is also available in the following Internet address: http://clerkdoc.sannet.gov/cmr/CMRFullListSearch.html.

(See City Attorney memorandum dated April 28, 2006.)

(Continued from the meeting of September 27, 2005, Item S500, at the request of the City Council for proper noticing.)

NOTE: Hearing open. On September 27, 2005 public testimony was taken only on the continuance of this item.

STAFF'S RECOMMENDATION:

Take the actions in Subitem A and adopt the resolution in Subitem B:

Subitem-A:

Authorize the Mayor to execute a Real Estate Purchase and Sales Agreement and Grant Deed or a Lease Agreement with Hillel of San Diego to implement the transaction and convey the approximately 15,341 square-foot parcel and the 17,923 square-foot street vacation area located at the intersections of La Jolla Village Drive, La Jolla Scenic Drive North, and La Jolla Scenic Way (APN 344-120-26) to Hillel of San Diego;

Authorize the Mayor to make any non-material changes to the conveyance documents, if appropriate;

Authorize the City Auditor to accept \$940,000 proceeds of sale or \$75,200 per year (\$6,267 per month) rent payments, and deposit the amount into the General Fund;

Directing the City Attorney to prepare the appropriate City Council resolutions after the hearing on this matter.

NOTICED HEARINGS: (Continued)

ITEM-331: (Continued)

Subitem-B: (R-2006-266)

Certifying that Mitigated Negative Declaration No. 6098 has been completed in compliance with the California Environmental Quality Act of 1970 (California Public Resources Code Section 21000 et seq.), as amended, and the State guidelines thereto (California Code of Regulations Section 15000 et seq.), that the declaration reflects the independent judgment of the City of San Diego as Lead Agency and that the information contained in the report, together with any comments received during the public review process, has been reviewed and considered by this Council in connection with the proposed sale of Site 653 to Hillel of San Diego;

Finding that project revisions now mitigate potentially significant effects on the environment previously identified in the Initial Study and therefore, approving the Mitigated Negative Declaration;

Adopting the Mitigation Monitoring and Reporting Program, pursuant to California Public Resources Code Section 21081.6, and adopting a finding of conformance with Section 15074.1(b)(2) of the State of California CEQA Guidelines that the new and revised mitigation measures are equivalent or more effective in mitigating or avoiding potential significant effects and that, in themselves, they will not cause any potentially significant effects on the environment;

Directing the City Clerk to file a Notice of Determination (NOD) with the Clerk of the Board of Supervisors for the County of San Diego regarding the above project.

STAFF SUPPORTING INFORMATION:

Site 653 is a vacant triangular shaped 15,341 square-foot City-owned parcel located at the intersections of La Jolla Village Drive, La Jolla Scenic Drive North, and La Jolla Scenic Way, south of the University of California at San Diego (UCSD) campus. An adjoining partial paper street is located along La Jolla Scenic Drive North. If the paper street is vacated, an additional 17,923 square feet can be added to Site 653 to assemble a contiguous parcel totaling 33,264 square feet. The property is a portion of Pueblo Lot 1299 and was acquired by U.S. patent in 1872.

NOTICED HEARINGS: (Continued)

ITEM-331: (Continued)

STAFF SUPPORTING INFORMATION: (Continued)

On April 12, 2000, the Land Use and Housing Committee authorized Real Estate Assets Department staff to issue a request for proposals ("RFP") for the potential sale or lease of the site with a higher priority to non-profit uses based on the UCSD campus. Staff circulated the RFP and received responses from 1) Hillel of San Diego, who proposed to develop and operate a facility serving the Jewish student community, and 2) the La Jolla Highlands Homeowners, who proposed to maintain the property as an undeveloped landscaped area. A four member ad hoc committee made up of two City staff members and two members of the La Jolla community reviewed the proposals and subsequently voted (3-1) to recommend entering into negotiations with Hillel of San Diego. Hillel of San Diego provides educational resources, religious services, student programs, and facilities to the local Jewish college community including UCSD and San Diego State University. Nationally, the Hillel organization has similar facilities at locations such as Duke University and University of California at Los Angeles. On November 20, 2000, the City Council authorized the Real Estate Assets Department to enter into exclusive negotiations with Hillel of San Diego. City Council Resolution R-294224 states: "for the ground lease of Site 653," but transcripts of the session clearly indicate either a lease or sale was acceptable and intended. On September 27, 2005, Council discussed a sale or lease of the property, and voted to continue the item to address noticing issues and to be able to conduct the hearing in the evening at a location in the community where the project is located.

PROPOSED TERMS OF SALE: (See Attachment)

Based on a fair market appraisal conducted by an appraiser selected by the City, the compensation to the City of San Diego is a one time payment of \$940,000.

PROPOSED TERMS OF LEASE: (See Attachment)

USE: operation of a faith-based (religious) student center.

TERM: twenty (20) years with two ten (10)-year options to extend

GROUND RENT - \$75,200 annually (\$6,267 per month) with annual CPI adjustments and reappraisals every ten years. This value is consistent with an outside independent fee appraisal dated June 8, 2005, and updated on January 25, 2006, and represents an eight percent (8%) annual return to the City.

NOTICED HEARINGS: (Continued)

ITEM-331: (Continued)

STAFF SUPPORTING INFORMATION: (Continued)

FISCAL CONSIDERATIONS:

An independent fee appraisal of Site 653 dated June 8, 2005 and updated on January 25, 2006, estimated the adjusted value at \$940,000.

PREVIOUS COUNCIL COMMITTEE ACTION:

- April 12, 2000: Land Use & Housing Committee authorized Real Estate Assets Department staff to issue a request for proposals ("RFP") for the potential sale or lease of the site with a higher priority to be given to student organizations based at UCSD.
- March 3, 2005: Planning Commission reviewed the project and denied approval.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

- October 7, 1999: La Jolla Community Planning Association. Real Estate Assets staff made an informational non-voting presentation on the disposition of Site 653. No objections were noted.
- December 21, 1999: La Jolla Shores Planned Advisory Board. City Planning & Development Review staff informed the Board of Real Estate Assets plans to market Site 653. This was not a project, hence no votes were taken and no objections were noted.
- May 30, 2000: La Jolla Shores Association and La Jolla Town Council Parks & Beaches Committee special meeting regarding Site 653. Both groups voted to retain Site 653 as landscaped open space. They also requested to appoint a member to the ad hoc committee. Real Estate Assets staff was present to answer questions.
- June 1, 2000: La Jolla Community Planning Association ("CPA") meeting. Real Estate Assets made a non-agenda informational presentation. No formal vote was taken; however, the CPA conducted an informal non-binding hand count to indicate support of keeping Site 653 for single family use as opposed to the Hillel proposal. 40 people supported single family use.
- June 8, 2000: La Jolla Town Council voted to keep the site as landscaped open space. Real Estate Assets staff was present to answer questions.
- August 5, 2000: La Jolla Shores Planned Advisory Board voted 4-0 to recommend retention of Site 653 in City ownership and to designate as open space.

NOTICED HEARINGS: (Continued)

ITEM-331: (Continued)

STAFF SUPPORTING INFORMATION: (Continued)

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Hillel of San Diego

La Jolla Highlands Homeowners Association

Impacts are addressed in Mitigated Negative Declaration for the project. Potential impacts include increased side street parking, increased traffic in the surrounding neighborhood and loss of a parcel of undeveloped land.

Boyle/Waring/JPA

Staff: Jim Anthony - (619) 533-6509

Leslie FitzGerald – Deputy City Attorney

NOTE: See Item 330 of today's docket for a companion item.

NON-DOCKET ITEMS

ADJOURNMENT IN HONOR OF APPROPRIATE PARTIES

ADJOURNMENT